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TESTIMONY to the Committee on Insurance and Real Estate

February 18, 2014

Re: SB-11, An Act Concerning the Duties of the Connecticut Health Insurance Exchange

Ellen Andrews, PhD

Executive Director

Thank you for the opportunity to share our support for SB 11 and to thank the committee for once again raising this important bill.

We at the CT Health Policy Project have long worked to improve access to health care for every Connecticut resident. As a consumer advocacy organization, we get calls every day on our helpline from uninsured consumers desperately seeking health coverage. In the vast majority of cases, the barrier to coverage is financial. Health insurance in Connecticut is not affordable.

The federal Affordable Care Act gives Connecticut a historic opportunity to make coverage affordable for uninsured state residents and small businesses through Access Health CT, our state health insurance exchange. But unfortunately Connecticut's exchange does not offer affordable coverage. In fact Connecticut's premiums are the highest among all state-based exchanges, fourth highest in the US, and higher than exchange premiums in our surrounding states with higher costs of living.

The best available tool for affordability is negotiating premiums with insurers on behalf of customers. Ninety percent of large employers use competitive bidding to select health plans for their employees and small businesses pay 18% more than larger ones because they don't have negotiating power. Six other states, including our neighbors Massachusetts, Rhode Island and New York, now actively purchase coverage on their exchanges, lowering insurance premiums for their residents and small businesses.

Unfortunately, Connecticut's Exchange decided not to actively negotiate premiums with insurers, claiming that insurers might find it "too adversarial". We are very grateful to the Committee for passing SB-596 last year for the same purpose. The bill passed the Senate but unfortunately died on the House calendar.

I urge you to pass SB 11 to improve affordable health insurance options for Connecticut's uninsured. Thank you for your time and your commitment to improving the welfare of every Connecticut resident.